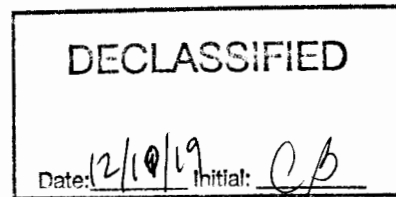




Warner Norcross + Judd LLP



January 8, 2019

Ms. Clara Beitin  
Office of Regional Counsel  
U.S. Environmental Protection Agency, Region 2  
290 Broadway, 17th Floor  
New York, NY 10007-1866

Re: Kaydon Acquisition XI, Inc. Response to Section 104e Information Request

Dear Ms. Beitin:

Enclosed please find the written response of Kaydon Acquisition XI, Inc. to US EPA Region 3's Request for Information dated November 21, 2018, together with a data disc containing documents referenced in the written response.

If you have any questions or concerns regarding this response, please do not hesitate to contact me.

Sincerely,

Steven C. Kohl

SCK/sck

Enclosures

cc: Marissa Mattingly  
Jane K. Webber, Esq.  
w/enclosures



**Kaydon Acquisition XI, Inc.'s Response to**  
**US EPA §104e Request for Information of November 21, 2018**

Below are Kaydon Acquisition XI, Inc.'s responses to the referenced Request for Information served upon legal counsel for Kaydon on matters relating to the MC Canfield Site in Newark, New Jersey.

**PRELIMINARY STATEMENT AND GENERAL OBJECTIONS**

Under cover of letter dated April 15, 2013, Kaydon Acquisition XI, Inc. responded to US EPA's initial Section 104e information requests directed primarily at the nature of Kaydon Acquisition XI, Inc.'s purchase in 2000 of specified assets of the former Canfield Technologies, Inc. and the members' interest in Canfield Properties LLC., the owner of certain real estate in Sayreville, New Jersey. The purchase in 2000 was pursuant to an asset purchase agreement negotiated at arms-length with the then existing ownership of Canfield Technologies Inc. The asset purchase included the right to use the Canfield Technologies name and Kaydon Acquisition XI, Inc. employed Canfield Technologies as an alternate name while conducting business with the assets acquired from the former Canfield Technologies, Inc. The 2013 response included a copy of the asset purchase agreement.

Subsequent to the 2013 response to US EPA, Kaydon representatives met with US EPA Region 2 and made clear their view that under the law in the Third Circuit there was no colorable basis to maintain that Kaydon Acquisition XI, Inc. could be viewed as a successor to the former MC Canfield & Sons Co. relative to potential CERCLA liabilities for conditions at the MC Canfield Site in Newark, New Jersey. It is understood that five years after initial exchanges of information with US EPA that US EPA is again evaluating its ability to seek cost recovery for costs that may have been incurred at the MC Canfield Site and apparently continues to evaluate whether Kaydon Acquisition XI, Inc. may be considered a successor to the CERCLA liabilities otherwise attributable to the former MC Canfield & Sons Co. In that regard, it is apparent from the nature of the November 21, 2018 Requests for Information that the United States may be seeking clarification of the status of Kaydon Acquisition XI, Inc. Kaydon Acquisition XI, Inc. hopes this response adequately clarifies its circumstances and the circumstances of potentially relevant related entities.

As is revealed in the individual responses below or as otherwise apparent from the 2013 responses to US EPA, Kaydon Acquisition XI, Inc. has at all relevant times been a wholly-owned subsidiary of Kaydon Corporation. Until October of 2013, Kaydon Corporation was a publicly held corporation. In October of 2013 pursuant to an Agreement and Plan of Merger, the outstanding stock of Kaydon Corporation was acquired by Dublin Acquisition Sub Inc. a subsidiary of Atlas Management Inc. created for the purpose of acquiring the stock of Kaydon Corporation. Thereafter, Dublin Acquisition Sub Inc. merged into Kaydon Corporation and Kaydon Corporation became and remains a wholly owned subsidiary of Atlas Management Inc. Atlas Management Inc. in 2013 was and remains today a wholly-owned subsidiary of SKF USA Inc. SKF USA Inc. is a wholly-owned subsidiary of AB SKF of Gothenburg, Sweden.

As disclosed below, in 2015 Kaydon Acquisition XI, Inc. sold its business assets to CTI Acquisition, LLC (including the use of the name “Canfield Technologies”) and conveyed real property in Sayreville, New Jersey to NL Ventures X Crossman, LLC. With the sale of the assets and conveyance of the real property, Kaydon Acquisition XI, Inc. abandoned the use of the alternate name Canfield Technologies Inc. and ceased conduct of regular business. As of the date of this response, Kaydon Acquisition XI, Inc. is without regular employees, assets, debts, or shareholder equity but remains a subsidiary of Kaydon Corporation.

In responding to the November 21, 2018 information requests, Kaydon Acquisition XI, Inc. notes that the term “affiliate” is not defined. Given the corporate structure as described above and further disclosed below, the term “affiliate” has been limited to subsidiary entities owned or controlled by Kaydon Corporation and SKF USA Inc. Kaydon Acquisition XI, Inc. objects to the application of the term to direct or indirect subsidiaries or joint ventures of AB SKF as being overly broad.

In responding to the November 21, 2018 information requests, Kaydon Acquisition XI, Inc. objects to Request No. 2 to the extent it would require SKF USA Inc. to provide its tax returns for the years 2013-2017 or Kaydon Corporation to provide its tax returns for the years 2012 and 2013 as overly broad. Both SKF USA Inc. and Kaydon Corporation filed consolidated returns for as the parent entity and for subsidiaries and related affiliates, including Kaydon Acquisition XI, Inc. during the years 2012-2017.

In responding to the November 21, 2018 information requests, Kaydon Acquisition XI, Inc. objects to Request No. 3 to the extent it would require SKF USA Inc., Kaydon Corporation or AB SKF to provide consolidated financial reports inclusive of Kaydon Acquisition XI, Inc. as overly broad.

If, following review of this response, US EPA believes certain specific additional information or documentation is necessary for its purposes, Kaydon Acquisition XI, Inc., through its legal counsel, will confer with US EPA and voluntarily respond to any request for additional information and documentation reasonably related to potential claims of the United States as identified in the Tolling Agreement executed December 2018.

#### **KAYDON ACQUISITION XI, INC.’S ASSERTION OF CONFIDENTIALITY OF DOCUMENTS PRODUCED**

The documents being produced contain financial and trade information relative to Kaydon Acquisition XI, Inc.’s conduct of the “Canfield Technologies” business. The information includes detailed information relative to the operating expenses and profits of that business and specific trade information. As disclosed in these responses, the assets of the business were sold to a private unrelated entity in 2015 and the public disclosure of the financial and trade information contained in the produced documents could provide competitors of the business with information that could provide competitors with an unfair competitive advantage even though some of the information is several years old. The documents produced are not and were not generally available to employees of Kaydon Acquisition XI, Inc. or employees of any affiliated company and access was limited to

employees and management personnel with a business need to know the information contained therein. Accordingly, Kaydon Acquisition XI, Inc. requests the documents produced be treated as confidential business information under applicable law for ten years from the date of this production.

**KAYDON ACQUISITION XI, INC.'S RESPONSES TO US EPA'S ENUMERATED REQUEST FOR INFORMATION**

1. Business.

a. State Kaydon Acquisition XI's full name, any names under which it currently does business, its principal place of business, its form of organization, the state where it is organized, and the states in which it is currently authorized to do business.

**Response:**

Kaydon Acquisition XI, Inc. is incorporated in the State of Delaware. It is an inactive corporation, without assets and conducts no business. It previously used the alternative name of Canfield Technologies, Inc. Use of this name was terminated in 2015 with the sale of its assets. The termination certificate filed with the State of New Jersey in 2015 is provided at Bates No. KAY1-000002.

b. List all manufacturing and/or operating sites of Kaydon Acquisition XI and any of its subsidiaries or affiliates.

**Response:**

Kaydon Acquisition XI, Inc. has had no manufacturing or operating sites since the sale of assets in 2015. It has no subsidiaries. The corporation is a subsidiary of Kaydon Corporation. Subsidiaries and affiliates of Kaydon Corporation, including Kaydon Acquisition XI, Inc., are identified at Bates No. KAY1-000001.

c. Please briefly describe the nature of Kaydon Acquisition XI's business (i.e., products, customers, approximate number of employees) over the past five years and the outlook over the next five years.

**Response:**

In 2015, Kaydon retained the investment banking firm, C. W. Downer & Co. (k/n/a/ Alantra), as a financial advisor relative to the Canfield Technologies business. Bates No. KAY1-000003 contains a presentation developed by the financial advisor that provides responsive information relative to the business prior to the sale of its assets in 2015. Since the sale of assets in 2015, Kaydon Acquisition XI, Inc. has not conducted regular business.

2. Tax returns. Please provide signed copies of Kaydon Acquisition XI's federal income tax returns for 2012 - 2016 and, if available, 2017. Please provide copies of all schedules (e.g., Schedule K-1s, consolidating schedules), attachments, and statements. If the company does not file its own federal income tax returns, please submit copies of the tax returns filed by the person or entity for which the tax consequences of Kaydon Acquisition XI are reflected, including any consolidating schedules. The copies should include everything that was submitted to the Internal Revenue Service.

**Response:**

As a subsidiary of Kaydon and an indirect subsidiary of SKF USA Inc. since October of 2013, Kaydon Acquisition XI, Inc. did not file separate tax returns. Kaydon Corporation filed consolidated returns that included Kaydon Acquisition XI, Inc. for the tax year 2012 and for a portion of tax year 2013. SKF USA Inc. has filed consolidated returns that included Kaydon Acquisition XI, Inc. for part of 2013 and for 2014 and 2015.

For purposes of filing consolidated returns, Kaydon Acquisition XI, Inc. prepared a separate internal *pro forma* tax return, which was then incorporated into the consolidated returns of the parent entity. Pro forma returns for the years 2013 -2015 are provided at Bates No.KAY2-000002, KAY2-000025, KAY2-000059, KAY2-000083. As Kaydon Acquisition XI, Inc. ceased to conduct business in 2015, no tax returns related to it have been prepared for 2016 forward.

3. Financial statements. Please provide Kaydon Acquisition XI's audited financial statements for 2012 - 2016 and, if available, 2017, including balance sheet, income statement, statement of cash flows, notes, and auditor's opinion. If audited statements are not prepared, unaudited statements are acceptable. If Kaydon Acquisition XI does not prepare formal financial statements, a year-end income statement, balance sheet, and statement of cash flows is acceptable. If any statements are prepared on a consolidated basis, provide copies of all consolidating schedules.

**Response:**

Audited financial statements for Kaydon Acquisition XI, Inc. are not available. Unaudited financial information for the years 2012-2015 is included at Bates No. KAY3-000001, KAY3-000036, KAY3-000048, KAY3-000060. As Kaydon Acquisition XI, Inc. ceased to conduct business in 2015, no financial reports have been prepared for 2016 forward.

4. Assets. Please provide a list of all of Kaydon Acquisition XI's assets valued at over \$10,000. As part of the list of assets, please provide Kaydon Acquisition XI's current valuation of each asset.

**Response:** Kaydon Acquisition XI, Inc. has no assets.

- a. If Kaydon Acquisition XI's assets include loans and/or notes receivables from either third parties or affiliates:

**Response:** Not applicable.

i. Please provide all documents reflecting the terms of each receivable, including loan agreements, commitment letters, lines of credit, guarantees, liens, and security agreements. Please provide the complete version of each document, with all schedules, attachments and addendums.

**Response:** Not applicable.

ii. Please state the amount currently owed with respect to each receivable.

**Response:** Not applicable.

iii. If a written agreement for a receivable does not exist, please briefly describe each such receivable, including: (i) the borrower or payor, (ii) the lender, (iii) the interest rate, (iv) the repayment schedule including due date, (v) whether additional sums may be obtained by Kaydon Acquisition XI or its affiliates under an oral agreement or understanding related to the debt, (vi) the date the debt was incurred, (vii) associated collateral and/or guarantees, (viii) covenants, (ix) late payment provisions, and, (x) if not already provided, the amount currently owed.

**Response:** Not applicable.

b. If any of Kaydon Acquisition XI's assets are real estate:

i. Please provide the address and approximate market value of any real estate owned by Kaydon Acquisition XI or any of its subsidiaries. Additionally, if any properties have been sold or transferred in the past five years, please list: (a) the date and terms of the sale/transfer, and (b) the recipient/buyer.

**Response:** Not applicable.

5. Significant transactions. Please describe all asset sales, asset purchases, dividends, major loans, mergers, stock purchases, and stock sales involving Kaydon Acquisition XI and/or Kaydon Corporation in the last five years.

**Response:** See responses to 5.a and 5.b below.

In addition, to the extent not already provided:

a. Please provide copies of all documents related to the 2013 acquisition of Kaydon Corporation (and Kaydon Acquisition XI) by Atlas Management, Inc., an affiliate of Aktie Bolaget SKF, including merger agreements; asset purchase agreements, Board of Director Meeting Minutes; Board of Director Resolutions, and any other documents related to the acquisition, including all schedules, attachments, addenda, and amendments.



**Response:**

Atlas Management Inc., a subsidiary of SKF USA Inc., incorporated Dublin Acquisition Sub Inc. for acquiring Kaydon Corporation and its subsidiaries, including Kaydon Acquisition XI, Inc. through a stock purchase and merger. The "Agreement and Plan of Merger" for this transaction is provided at Bates No. KAY5-0000001 together with the Company Disclosure Letter, Bates No. KAY5-000098. The "Certificate of Merger" and a copy of the "Amended and Restated Certificate of Incorporation of Kaydon Corporation" is provided at Bates No. KAY5-000088, KAY5-000095. Board resolutions relating to the transaction are provided at Bates No. KAY5-000074, KAY5-000078, KAY5-000083, KAY000128, KAY5-000135.

b. Please provide copies of all documents related to the 2015 acquisition of Kaydon Acquisition XI by Gen Cap America, Inc., including merger agreements, asset purchase agreements, Board of Director Meeting Minutes; Board of Director Resolutions, and any other documents related to the acquisition, including all schedules, attachments, addenda, and amendments.

**Response:**

Gen Cap America, Inc. did not acquire Kaydon Acquisition XI, Inc. in 2015. In 2015, Kaydon Acquisition XI, Inc. sold all of its assets to CTI Acquisition, LLC. excepting its real property and contemporaneously conveyed the real property, at the time of the sale of its other assets, to NL Ventures X Crossman, LLC. pursuant to an asset purchase agreement. This agreement and its accompanying schedules, associated secretary's certificate and board resolution are provided at Bates No. KAY5-000140, KAY5-000209, KAY5-000351, KAY5-000383. The deed conveying the real property assets is provided at Bates No. KAY5-000458. Kaydon Acquisition XI, Inc. understands that Gen Cap America, Inc. facilitated, and may have provided financing for these transactions on behalf of the purchasers.

6. Affiliates. Please: (a) describe all entities affiliated with Kaydon Acquisition XI, and describe all transactions that have occurred between Kaydon Acquisition XI and each of its affiliates within the last three years, and (b) briefly describe the nature of the relationship between the affiliate and Kaydon Acquisition XI. For purposes of this question, affiliates includes (i) entities owning stock or a stake in Kaydon Acquisition XI directly or indirectly, (ii) entities owned in whole or in part by Kaydon Acquisition XI, directly or indirectly, (iii) entities with substantially the same legal or beneficial ownership as Kaydon Acquisition XI, and (iv) entities directed or managed by persons who are either themselves directors, officers, or members of Kaydon Acquisition XI, or who are related to directors, officers, or members of Kaydon Acquisition XI.

**Response:**

- (a) As disclosed in response to Request 1.b (supra), Kaydon Acquisition XI, Inc. is a subsidiary of Kaydon Corporation. The organization chart referenced identifies other subsidiaries/affiliates of Kaydon Corporation. As of the date of this response, Kaydon

Acquisition XI, Inc. has had no transactions within the preceding three years. Kaydon Acquisition XI, Inc. ceased business operations in August of 2015.

- (b) See preceding response. Kaydon Corporation holds legal or beneficial ownership in all identified subsidiaries/affiliates. All identified subsidiaries/affiliates of Kaydon Corporation would have had some common directors or officers over the course of time.

7. Transfers to insiders. Please describe all transfers of anything of value by Kaydon Acquisition XI or on its behalf to persons or entities affiliated with Kaydon Acquisition XI since March 13, 2013. For each such transfer please state the amount, the date, the reason for and nature of the transfer (e.g., common stock dividend, officer compensation, loan forgiveness) and the full name of the recipient. For purposes of this question, (i) a “transfer of anything of value” includes dividends, bonuses, perquisites, cancellation, forgiveness or deferral of loans, compensation of an officer, director or employee beyond his or her standard salary or wage, and sales of property, and (ii) the term “persons or entities affiliated with Kaydon Acquisition XI” includes Kaydon Acquisition XI shareholders (including holders of preferred stock and individuals owning directly or indirectly an interest in Kaydon Acquisition XI’s stock), relatives of those shareholders, and entities directly or indirectly controlled by Kaydon Acquisition XI, its shareholders or their relatives.

**Response:**

As disclosed in the documents provided in response to Request 3, a dividend was paid to Kaydon Corporation following the sale of assets in 2015. Bates No. KAY7-0000001 contains a schedule of all compensation paid to employees of Kaydon Acquisition XI, Inc. for the years 2013-2015, including bonus. **[This is Personal Privacy Information.]**

8. Transactions with Affiliates. For each year from 2012 to the present:

- a. Describe each service and/or product (e.g., management services, leases) provided by Kaydon Acquisition XI to any affiliates, or vice versa, or between affiliates.

Response: Kaydon Acquisition XI, Inc. did not provide products or services to affiliates. It did receive services and management support from the corporate parent(s) and these were identified in Schedule 5.18 to the 2015 Asset Sale Agreement. Bates No. KAY5-000209.

- b. Provide signed copies of all such agreements, complete with all schedules, attachments, and updates.

**Response:** No agreements have been identified.

- c. If any transactions took place between Kaydon Acquisition XI and an affiliate (or between affiliates) for which a written agreement does not exist, please describe all material provisions of each transaction including (but not limited to):



- i. Service or product transacted;
- ii. Date(s) of transaction(s);
- iii. Identity of buyer;
- iv. Identity of seller;
- v. Amount paid for good or service;
- vi. Identity of representative from Kaydon Acquisition XI who negotiated the transaction;
- vii. Identity of representative from affiliate who negotiated the transaction; and
- viii. Describe the formula or basis used to determine the price paid for the good or service.

**Response:**

The financial statements and reports provided in response to Request No. 3 contain line items "Allocations from Corporate" and/or "Allocations from Division" that reflect charges from corporate parents to Kaydon Acquisition XI, Inc. for the services itemized in the above-referenced Schedule 5.18.

9. Debts. Regarding Kaydon Acquisition XI's debts, including loans owed to shareholders, but not including trade debts:

a. Please provide all documents reflecting the terms of each debt, including loan agreements, commitment letters, lines of credit, guarantees, liens, and security agreements. Please provide the complete version of each document, with all schedules, attachments and addendums.

**Response:** Not applicable.

b. Please state the amount currently owed with respect to each debt.

**Response:** Not applicable.

c. If a written agreement for a debt does not exist, please briefly describe each such debt, including: (i) the borrower, (ii) the lender, (iii) the interest rate, (iv) the repayment schedule including due date, (v) whether additional sums may be obtained by Kaydon Acquisition XI or its affiliates under an oral agreement or understanding related to the debt, (vi) the date the debt was incurred, (vii) associated collateral and/or guarantees, (viii) covenants, (ix) late payment provisions, and, (x) if not already provided, the amount currently owed.

**Response:** Not applicable.

**CERTIFICATION OF ANSWERS TO REQUEST FOR INFORMATION**

M.C. Canfield Superfund Site, Newark, New Jersey

State of Pennsylvania

County of Montgomery

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document (response to EPA Request for Information) and all documents submitted herewith, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate, and complete, and that all documents submitted herewith are complete and authentic unless otherwise indicated. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. I am also aware that I am under a continuing obligation to supplement my response to EPA's Request for Information if any additional information relevant to the matters addressed in EPA's Request for Information or my response thereto should become known or available to me.

Jane K. Webber

NAME (print or type)

Assistant Secretary

TITLE (print or type)

Jane K. Webber

SIGNATURE

Sworn to before me this  
day of Jan. 7, 2019

Notary Public

Lori Miller

COMMONWEALTH OF PENNSYLVANIA

NOTARIAL SEAL

LORI MILLER

Notary Public

TOWAMENCIN TWP, MONTGOMERY COUNTY

My Commission Expires Jul 22, 2020